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TEMPORALITIES' BOARD.

MONTREAL, July 8th, 1891.

REV. AND DEAR SIR,

At the semi-annual meeting of the Temporalities' Board, held here on the 12th day of May last, the following resolution was unanimously adopted :

(1.) That inasmuch as \$60,046.40 is the amount indicated by the actuary as required to guarantee the annuities of the commuting and privileged ministers (calculating the interest at 5%), be it resolved that the said sum of \$60,046.40 be administered separately, so as to secure in their rights, for their lives, those whose claims the Board has always treated as paramount.

(2.) That the Executive Committee of the Board be instructed to prepare and issue to the Beneficiaries and Trustees of Queen's College a statement showing the condition and capabilities of what remains of the fund after the above sum of \$60,046.40 has been deducted, with intimation to them that on and after 31st December, 1891, the Board will pay in full the amounts allowed by the Temporalities' Act of 1882, namely, at the rate of \$100. each half-year to non-privileged ministers and \$1000. each half-year to Queen's College, together with all arrears to these parties accrued from July, 1882, up to said date, but at the same time informing them that in all likelihood the portion of the fund available for providing for their claims will be exhausted before the probable termination of the lives of all the non-privileged ministers.

It being understood that if at any time the Board shall be advised by competent authority that the amount reserved to meet the claims of commuting and privileged Beneficiaries is insufficient for that purpose, they shall take from the portion of the fund held for the non-privileged Beneficiaries what is deemed necessary to guarantee the acknowledged superior rights of those that are privileged.

It being further understood that any amount of interest over 5% accruing on the investments reserved for the commuting and privileged Ministers shall be paid into the section of the fund set apart for the non-privileged Ministers and Queen's College ; but, on the other hand, if the interest on the former section of the fund at any time fall under five per cent. the deficit shall be made good from the latter section.

As instructed above, the Executive Committee of the Board now beg to lay before the Beneficiaries a full statement of both the liabilities of the fund and of its capabilities according to the Actuary's last estimate, made in November, 1890.

Valuing the lives of the Beneficiaries, according to the Carlisle tables, and calculating at 5 % he advises the Board as follows :—

Required for the Commuting and Privileged Beneficiaries	\$ 60,046.40
“ the Non-privileged	146,901.80
Total,	\$206,948.20

The cash value of the assets at the same date was 224,149.30.

This leaves a balance of \$17,201.10 to provide for the payment of arrears, the annual allowance to Queen's College and the expenses of management.

The amount to be set apart to meet the claims of the commuting and privileged Ministers, as provided for above, is not only ample but is better security than they had when the fund was first instituted. Men of corresponding age, in 1855, were credited with only \$50,059, because their life claims were commuted at 6 %, whereas the present estimate is at 5 %

Then, the resolution of the Board places the privileged Beneficiaries, as to this matter, on a par with the originators of the fund, and this is a position for which they will be thankful.

So far as the non-privileged Beneficiaries and Queen's College are concerned, the Board believes that the above resolution will meet with their entire approval. They alone have suffered through the deficiency of the fund, and they have accepted the situation with commendable patience,

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showing great trust in the Board's administration. The policy pursued by the Board, at a critical period in the history of the fund, led to the withholding from non-privileged Beneficiaries half of what they were entitled to in terms of the Act of Parliament, so as to secure that the fund should not be exhausted, as at that time it threatened to be, while there yet remained very large claims upon it on the part of the commuting and privileged Ministers. Under that policy, the fund recuperated rapidly, so that five years ago it was resolved to pay one-half more to the non-privileged Beneficiaries and Queen's College, than had been given them from the date of the crisis; and three years ago, a further sum was paid out of the fund for arrears accrued from 1883 onward, making 75 % on all claims,—and this rate of payment has since been kept up. Notwithstanding the heavy drain upon the fund thus occasioned, it has gone on improving. The value of the claims upon it, according to the Actuary's estimate, made at intervals of two years, has decreased more rapidly than the fund has; and the time has now come, in the opinion of the Board, when a further step ought to be taken—that of resuming payment in full to all Beneficiaries.

A comparatively small sum is now needed to secure the paramount rights of the commuting and privileged Beneficiaries, and that set aside, the Board believes that it interprets aright the wishes of the other Beneficiaries concerned, when it resolves to pay them henceforth in full, even though there may be a risk of an exhaustion of the fund before the termination of the last life. Hoarding the fund for any ulterior objects, should not be at the expense of the prior claims of the non-privileged Ministers and Queen's College.

But it is felt that any action of this kind, to be equitable, must be retroactive; if the fund is to pay the non-privileged ministers who are alive in full, it should also pay to the representatives of those departed the sums withheld from them by the policy of the Board above referred to. To do this, liquidating all arrears, both to the living and the dead, up to date, and paying Queen's College in proportion, will require a sum of \$36,075. This is a considerable amount to take out of the fund at once, but it is hoped that by careful management there may remain enough to provide for all the non-privileged Ministers and Queen's College; although the assets at present do not quite provide for all the liabilities. The following are the grounds of this hope:—

1. The Actuary's estimate is at 5 %, whereas most of the Board's investments are at a higher rate than this, and the tendency is not at present downwards.
2. The insurance companies in giving figures always put them high enough to cover not only risks, but also profits and expenses of management, which latter are much greater than those of the Board.
3. The Carlisle Tables are taken as the standard for the lives of the Beneficiaries, but experience has shown that their lives have been rated too high, and this has been to the advantage of the fund.
4. There is every reason to believe that a much smaller sum than \$60,046 will be adequate to provide for the claims of the commuting and privileged Ministers, and the surplus will be available for the non-privileged Ministers and Queen's College.

For these reasons, the Board cherishes the expectation that the fund will at least provide for the life claims of all Beneficiaries and will leave a balance for commuting the annual payment to Queen's College, in terms of the Act of Parliament. At all events, it is believed that both Ministers and College would prefer to obtain what they need and are entitled to now, and take their chances for the remote future, rather than continue to receive only 75 p. c. of their claims and have these guaranteed for their whole lives, with the chance of a portion of the fund going ultimately to other objects.

A. MACPHERSON, *Chairman*.
ROBERT CAMPBELL.
JAMES PATTERSON.